

I am Barbara Rinehart. I have been a dairymaid in north central Missouri, in Linn County, for 42 years. I am a producer member of Dairy Farmers of America in Federal Order 32. Under normal conditions we produce our own feed, and raise our own replacements as well as marketing heifers and hay. My son and daughter-in law have a herd of Angus cows and a flock of sheep as well.

When my husband and I began farming it took a serious commitment to produce quality milk by hand milking cows and lifting 10-gallon cans in and out of a water cooler. But there were 3 processing plants to be accessed locally and some producers still shipped cream to Chicago via nightly trains out of Brookfield Depot. We mostly sold milk through Producers Creamery in Brookfield/Chillicothe, which was the foundation of Dairy Farmers of America and later merged to become DFA. We have always been involved in Dairy activities and promotions, always trying to stay informed and involved in the very complicated world of farming, especially in dairy. I was Mid Am District Secretary for 18 years and we have hosted untold number of tours of our farm.

When we thought we could see the handwriting -on- the-wall to an ending to the old ways of milk production we made the BIG commitment to all the regulations, buildings, facilities, and especially debt, that went with producing Grade A, (class 1) bottling milk. Less than 2 years later my husband suffered his first major heart attack at age 44. In order to provide a living for the family and a home and care for a handicapped child, the 3 teen-aged children and I, with the help and solid support of extended family and friends, stayed with that Dairy commitment "until Dad could get better and help us again".

We have stayed with that commitment to produce highest quality class A milk every day of every year since then. Dairy farmers have dwindled from approximately 40 producers in Linn County when we began, to 6 farms today.

We 6 farmers, along with the remaining 8 dairymen in 3 adjoining counties serve a nitch market within DFA. One 55,000 gal tanker truck comes from Iowa each day to pick up the 2 routes and delivers that milk to Anderson - Erickson Class I plant in Des Moines, Iowa. Anderson - Erickson is noted for the flavor and shelf life of their bottled milk and top quality of their yogurt and cottage cheese. Therefore they are extremely strict with the quality milk standards beginning with cows on our farm every day.

We producers are committed to producing milk for A-E and they expect to receive it on schedule, all day, every day. When one producer had a cooler go bad and was unable to ship his milk for a few days A-E management was very upset.

Cost of transporting this milk is not cheap! AND all of us share high transportation costs EVERY day, not once a month or once a quarter. Under normal conditions this nitch market benefits all class A producers in this area. Class I producers closer to the population centers in KC and St Joseph save on transportation costs and a higher percent of milk goes to Class I milk, therefore a higher blend price.

UNTIL the recent depooling debacle, especially in 2004!

The only reason we chose too remain dairy producers, to try to survive the extreme drought and record low milk prices of 2003 was the premise that "prices ARE going to get better, producers are going out of business every day, and all indications are that milk supplies are going to get extremely tight."

And that did happen. We just missed the boat. The straw that almost broke the camel's back was a call from my brother-in-law, who is a professor of economics in

college. WE are still receiving almost \$12.per cwt prices, buying water for all the livestock, buying instead of selling alfalfa and buying every grain of corn that all the animals eat. HE sees all the publicity of soaring milk and cheese prices in the store and one of his students tells him his Dad, a dairy producer in south Missouri who obviously depooled, made more money that month than he did in the years of 2002 and 2003 combined!!! He was sincerely joyous that we were finally being rewarded financially for all our hard work and perseverance!

Federal order 32 pool had 6 million pounds at 68% utilization when class III prices were highest and PPD's were very negative to 1,234 million with 26% utilization and 1,272 million with 27.08% utilization when class I prices began raising and class III falling.

I guess I can't blame those producers for grabbing an opportunity BUT they did so at a GREAT expense to those of us who are committed to a market and not free to send one trailer of milk into someone else's market.

I am grateful for the raise of modest raises of butterfat and protein prices paid for our milk. But it upsets me more than a small amount to realize it will take approx 41 months for estimated PPD amounts PAID now to equal the thousands of dollars DEDUCTED in 2004. However that is water under the bridge. The most freighting aspect for us is the lack of incentive for any local Dairy producer. Without changes in this federal order nothing will prevent those producers who depooled and made a fast buck in 2004 to be prepared, in a similar situation, along with many others with the same idea, to depool more milk, do it more quickly and then reenter the class one market with fantastic results.

There are already no new producers in our area and none of the current producers is even considering expansion. The only young full time producers are in a family arrangement and to the best of my knowledge the youngest of those producers is probably my son Kevin at age 43. The lack of support services is already critical. It costs at least \$238. for a dairy repairman or service man to drive to our farm. Then he can begin looking for the problem on hourly wages and charge specialty prices for repair parts. If at least one of those 6 local producers drops out or even cuts back the milk hauler will probably find it impossible to afford driving that semi around with a partial load. This is a problem for our entire Midwest.

Thank you